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Providing assistance to certain non-Federal institutions ...
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{ REPORT
No. 869

U.S. Congress. Senate. Comm. on Labor and Public Welfare

PROVIDING ASSISTANCE TO CERTAIN NON-FEDERAL INSTITUTIONS FOR CONSTRUCTION OF FACILITIES FOR RESEARCH IN CRIPPLING AND KILLING DISEASES SUCH AS CANCER, HEART DISEASE, POLIOMYELITIS, NERVOUS DISORDERS, MENTAL ILLNESS, ARTHRITIS AND RHEUMATISM, BLINDNESS, CEREBRAL PALSY, TUBERCULOSIS, MULTIPLE SCLEROSIS, EPILEPSY, CYSTIC FIBROSIS, AND MUSCULAR DYSTROPHY.

JULY 14, 1955.—Ordered to be printed

Mr. Hill, from the Committee on Labor and Public Welfare, submitted the following

REPORT

[To accompany S. 849]

The Committee on Labor and Public Welfare, to whom was referred the bill (S. 849) to provide assistance to certain non-Federal institutions for construction of facilities for research in crippling and killing diseases, and for other purposes, having considered the same report favorably thereon with amendments and unanimously recommend that the bill do pass.

GENERAL STATEMENT

In response to demonstrated needs, the Congress has created the National Institutes of Health, seven separate national institutes for research into the causes of and cures for various categories of killing and crippling diseases, and has provided funds for the training of research workers. By so doing and by regularly appropriating funds for these purposes over the last decade, the Congress has expressed its belief that it is sound public policy to invest at least a slight portion of the immense sums we spend merely to care for illness on trying to find ways to prevent or to cure it.

However, actual experience in the making of research grants through the National Institutes of Health has disclosed a serious deficiency which is not only holding up already planned and much-needed research projects but which threatens the future of medical research insofar as it is serving to block the entry of young scientists into this field. Experience has shown that often the most potentially gifted

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men in the field of research, men who could and would devote their lives and their talents to the attempt to conquer diseases, men who had been chosen by the advisory councils of our National Institutes of Health as admirably qualified to carry on essential research projects, are unable to make their services available to the people of America simply because they do not have the laboratories, facilities, and equipment with which to do the work the Nation and the Congress very much want to have done.

We have, of course, provided excellent facilities and equipment, chiefly at the National Institutes of Health, were men of science employed by our Government have been and are carrying on promising research projects. But we neither can nor should we try to concentrate all medical research in Federal laboratories. Hundreds of established leaders in medical research and thousands of young scientists eager to work with them if it were possible are identified with non-Federal hospitals, universities, and other nonprofit research institutions scattered throughout the Nation. If we are to enlist their services in our behalf, we must help build the laboratories and other essential facilities where they and their patients are.

That, in essence, is the major purpose of this bill: to provide assistance to non-Federal public and other nonprofit institutions for the construction of facilities for research in crippling and killing diseases such as cancer, heart disease, poliomyelitis, nervous disorders, mental illness, arthritis and rheumatism, blindness, cerebral palsy, tuberculosis, multiple sclerosis, epilepsy, cystic fibrosis, and muscular dystrophy.

SUMMARY OF BILL

S. 849 authorizes the appropriation of not to exceed \$30 million a year for each of the next 3 years to be used for grants to aid in the construction of non-Federal research facilities. Grants may be made to accredited public and other nonprofit universities; to hospitals; to schools of medicine, dentistry, osteopathy and optometry; to nonprofit laboratories and to other nonprofit institutions willing and competent to undertake needed research projects. In order to stimulate local governmental and private interest and participation, a Federal grant may not amount to more than half the cost of any project and every application will have to be approved by the National Council on Medical Research Facilities which is provided for in the bill and by the Surgeon General of the United States Public Health Service.

The committee believes that it is sound public policy to stimulate the development of research as equally as possible throughout the country. In light of the fact that this cannot well be done on a State-by-State basis since many institutions serve the people of an entire region rather than of a single State and since the development of duplicate research facilities in every State would be extremely wasteful, provision is made in the bill for allocating annual appropriations among the four geographical regions into which the States and Territories have been grouped in the bill. The delineation of regions in the bill is such as to include in each region an approximately equal number of potential medical research scientists and is in turn based on the output of such personnel by schools of medicine and other institutions of higher learning and advanced training in each region.

The following table, showing how grants-in-aid could be made if the entire \$30 million authorized in the bill was actually appropriated for each of the 3 years provided for in the bill, illustrates the application of this provision:

Region	I	II	III	IV
Past grants.....	\$7,520,892	\$3,751,733	\$6,226,338	\$4,863,037
1st year.....	6,069,608	8,438,767	7,364,162	8,127,463
2d year.....	7,100,000	8,100,000	7,100,000	7,700,000
3d year.....	7,400,000	7,800,000	7,400,000	7,400,000
Total grants end of 3d year.....	28,090,500	28,090,500	28,090,500	28,090,500

EXISTING AUTHORIZATION

To properly evaluate this bill it is most important to realize that under existing law the Surgeon General already has authority, subject only to the amount of money available, to make grants for the construction and equipping of such research facilities as are provided for in S. 849. The Surgeon General's existing authority is stated in a parenthetical clause appearing in the section of the Public Health Service Act which authorizes him to make research grants and to establish and maintain traineeships. The clause reads "(including grants-in-aid for drawing plans, erection of buildings, and acquisition of land therefor)".¹

Under this authority medical research construction grants totaling over \$22 million were made during the period from 1948 to 1950. With the outbreak of hostilities in Korea, when it became imperative that essential construction materials be reserved for military purposes, neither appropriations nor further authorizations for grants for the construction of medical research facilities were available. After Korea, the Public Health Service received many well-justified requests for such construction funds, and the National Institutes of Health were forced to turn down requests for grants to further quite important research projects because the research could not be undertaken unless funds for construction and equipment were also made available.

These requests were made known to the Senate's Committee on Appropriations and were the subject of a great deal of deliberation by that body. As Senator Bridges, the former chairman and now ranking minority member of that committee, stated in testifying in favor of this bill (S. 849):

It is true that grants for research construction are authorized in sections 412 (d) and 433 (a) of the Public Health Service Act. * * * Now the authorization obviously received little if any attention prior to the enactment of the law under which we made the appropriations—no specific sum is authorized and for no specific period; no matching requirement is set out, nor is there any formula for an equitable geographic distribution of the grant funds.

The members of the [Appropriations] Committee felt that there should be some special attention given and some definite particular authorization made.

Now, I mention these particular points because, in our consideration in the Committee on Appropriations, members, one after another, clearly indicated that, until an authorization protected by various such provisions was enacted, they felt that they could not conscientiously support the appropriation of funds; there was little likelihood of approval of funds for this worthwhile purpose.

¹ Sec. 433 (a) of Public Law 692, 81st Cong., ch. 714, 2d sess. (NOTE.—Section 412 of the Public Health Service Act relating to the National Heart Institute, in subsection D, similarly authorizes construction grants.)

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These are the reasons why, although the Surgeon General has authority to make grants for needed medical research facilities, he is currently without funds with which to make such grants. These were the reasons which prompted the Senate's Committee on Appropriations, whose members have shown great interest in and have consistently promoted the partnership of Federal Government, local governmental units, and private citizens in a common endeavor to find the causes of and cures for killing and maiming diseases, to state, in its report of June 22, 1954, that—

The committee urges the Committee on Labor and Public Welfare to investigate this problem to determine the public policy. If such a program is adopted it is the view of this committee that it should be put on a matching basis and the grants be authorized according to formula.¹

These are the reasons why Senator Hill, chairman of the Subcommittee on Appropriations for Labor, Health, Education and Welfare, as well as of the Committee on Labor and Public Welfare, and Senator Bridges joined in sponsoring S. 849. And these are the reasons why, in response to the request of the Senate's Committee on Appropriations, the Committee on Labor and Public Welfare, after extensive hearings and thorough deliberation unanimously recommended the bill and urges its prompt passage.

TODAY'S PROBLEM—TOMORROW'S PROMISE

The underlying reason for our present-day concern with the need for medical research facilities is a simple one. It is found in the fact that the medical research of today cannot be carried on by the dedicated scientist working alone in his attic or in a basement room; with materials purchased from the neighborhood hardware store; with funds borrowed from his wife's pin money. It is still true that such men might well produce ideas of consequence. But to develop such ideas, to realize their full potentials, to test them on thousands of animals and on hundreds of people, to transmute them into products or techniques which can be applied to millions of people—to do these things in a few years rather than over many decades—requires a multidisciplinary approach through which many men trained in several different sciences and with a variety of different skills may work effectively together toward a common goal. It also requires facilities and equipment of almost unbelievable variety and of considerable costliness. Materials and equipment ranging from unseeable bits of matter smaller than the atom to cyclotrons and giant centrifuges. And it requires buildings designed to safely and efficiently house these men of research, their experimental animals and their material and equipment; all in close proximity to their patients and to the jobs which enable them to undertake research.

Inability to acquire such facilities and such equipment has created the greatest bottleneck and is today's most serious problem in medical research. The nature and impact of that problem and the great promise which the near future holds for all of us, should we succeed in solving that problem, is perhaps best expressed in the words of the men of medicine and science who testified before the Subcommittee on Health and, in the strongest possible terms, urged us to pass this bill.

¹ S. Rept. No. 1623, 83d Cong., 2d sess., p. 10.

These men, from whose testimony we shall quote, came from every part of the country. Each of them is a man of great repute, known brilliance, and integrity. Most of them are outstanding members of the American Medical Association. Every one of them and each of the institutions they are associated with is unquestionably ranked among the leaders in the field of research on cancer, heart disease, mental illness, neurological diseases and blindness, arthritis and metabolic, diseases or another killer or crippler of mankind.

Here, in part, is what they told the subcommittee.

Dr. Robert P. Knight, medical director of the Austen Riggs Foundation in Stockbridge, Mass., past president of the American Psychoanalytic Association and clinical professor of psychiatry at Yale University School of Medicine, is trying to do research in a problem which now costs the American citizen over \$1 billion a year in tax funds alone, the problem of mental illness. Dr. Knight told us that the research facilities and equipment at his center are in such bad shape that it is difficult to attract and hold trained men and almost impossible to bring in younger scientists for training in research work. He showed us how and why the men who should be doing or directing the research which might prevent or cure countless cases of mental illness and save millions of dollars are forced to spend their time. Instead of being the doctors or psychiatrists or research workers they are trained to be, they are spending a great part of their time as professional beggars trying, as individuals, to raise the funds needed to do work the entire Nation wants and needs done. Dr. Knight told us of how for years now, one of America's greatest directors of research in mental illness, Dr. William Menninger of the Menninger Foundation in Topeka, Kans., has had to devote more than half his time not to research but to fund raising. And Dr. Knight pointed out that, although more than 50 out of every 100 hospital beds in the country are occupied by victims of mental illness, yet only 4 percent of all medical research funds are devoted to attempts to find causes and cures for afflictions of the mind.

Dr. Ralph J. Dorfman, who has served on the science faculties of the University of Chicago, the University of Louisiana, Yale, and Western Reserve, and who is now associate director of the Worcester Foundation for Experimental Biology, told us of how his staff is trying to work in an old basement wine cellar and an abandoned coachman's house. Trying to work on diabetes and such unpleasant and costly diseases as arteriosclerosis, kidney diseases, gangrene of the extremities, blindness, and such diabetic complications of pregnancy as frequently cause the death of newborn children and endanger the life of the mother. Dr. Dorfman told us that diabetes mellitus, on which he is concentrating his efforts, currently afflicts some 2 million people a year and costs the Veterans' Administration alone approximately \$10 million a year. He told us too that because of research work already done, diabetes mellitus is a disease about which we know a great deal and which we should be able to control in the foreseeable future. What we need for success in this endeavor is four walls and a roof. And Dr. Dorfman assured us that an investment in such construction would result in a tremendous saving to the Nation.

Dr. R. Lee Clark, Jr., director and surgeon in chief of the M. D. Anderson Hospital and Tumor Institute at Houston, Tex., spoke eloquently and pointedly as regards the need for research facilities in

the field of cancer and described new and promising research leads now available. Perhaps more important to the question now before the Senate, however, was his explanation of how a grant of \$300,000 from the National Cancer Institute and a grant of \$2 million from Hill-Burton funds so stimulated local interest that they have resulted in the construction of a \$10 million hospital-research center supported since its opening by more than \$25 million of State funds. His testimony on this point, which was supported by all our other witnesses, dramatically proves a point well known to members of the committee and important to the Senate in its deliberations. The point is that the use of Federal funds to promote medical research does not result in a supplanting or diminution of the amounts made available for that purpose by State and local governments. Quite the contrary. Every such grant by the Federal Government has served as a stimulus to even larger contributions from other sources. In the case of this great cancer center serving the entire Southwest, Federal grants have been matched by more than 15 to 1.

Dr. Cornelius Rhoads, scientific director of the oldest cancer hospital in the United States, the Memorial Center for Cancer and Allied Diseases in New York, and director of the Sloan-Kettering Institute for Cancer Research, gave us three succinctly stated reasons for his enthusiastic endorsement of this bill. He said—

One: It is the best possible investment in terms of the economic as well as the social welfare of this country.

Two: It is an absolute necessity that these facilities be made available if hundreds of thousands of lives are not to be needlessly lost.

And, thirdly, if they are made available, this wastage of life can be prevented, from all the indications presently before us.

Dr. Rhoads went on to tell us that cancer is costing us from 3 to 10 billion dollars a year directly and indirectly and explained how a \$250,000 laboratory has saved nearly a thousand lives over the last 5 years in his institution alone. Two hundred and fifty dollars for a human life.

Dr. Rhoads warned the committee that despite the great gains we have made in recent years in the treatment of cancer, we are, as a matter of fact, losing ground steadily. Because of a pandemic of lung cancer and because of the growing age of our population, the death rate from cancer is rising steadily, and unless it is checked 1 out of every 4 of us will die of this dread disease. Yet we should be able to halt and to reverse this trend. We have most promising new leads to follow up on. Remarkable new discoveries have been made. We have many young scientists trained in new methods of approaching the solution of the cancer problem—trained, ironically enough, in part with Federal funds—but, as Dr. Rhoads put it, "We simply do not have the space to put them to work."

Dr. Rhoads' detailed testimony as regards new departures will give new hope to any who doubt our ability to eventually control cancer.³ But he made it clear that if we are to realize those hopes we must take steps to assure the availability of research facilities as promptly as possible.

In concluding our summation of Dr. Rhoads' testimony, we would also point out that he advised the committee that he had given the

³ Set forth in full on p. 60, hearings before the Subcommittee on Health of the Committee on Labor and Public Welfare, U. S. Senate, 84th Cong., 1st sess. on S. 849, March 31, April 1 and 13, 1955.

formula for allocating funds under this legislation considerable thought and discussed it with his colleagues. His conclusion was that—

it is a rather thoughtfully planned formula * * * the best that can be arrived at under the circumstances * * * it is balanced for medical schools, it is balanced for population * * * I have no fault to find with it.

Dr. Gardner Murphy, director of research for the Menninger Foundation at Topeka, Kans., also endorsing passage of the bill, pointed out that we spend less in a year on research designed to cure mental illness than we spend every week just to feed and house mental patients. He reminded us too that if we act to help provide facilities for research on mental illness we shall be striking not just at insanity but also at those socially and economically costly maladjustments which are reflected in alcoholism, in juvenile delinquency, in sexual aberrations, failure of nerve, fears, doubts, anxieties, self-hate and the hatred of one's fellows. He, too, assured us that any investment we might make in research facilities would be returned to the Treasury many, many times over.

Dr. Sidney Farber, director of research, at the Children's Cancer Research Foundation in Boston, told us of three different antibiotics showing anticancer effects which have been discovered in the last 2 or 3 years in different institutions. If we are really serious about our desire to control cancer, those discoveries alone make mandatory the manufacture and study of hundreds of antibiotics to disclose their relative anticancer properties. This alone creates a tremendous problem in laboratory facilities and in clinical research centers.

Addressing himself to the question of whether Federal grants supplanted or stimulated private contributions, Dr. Farber not only agreed with all other witnesses that such grants acted as a great stimulus to others but also gave a most illuminating example of this process and of its results. He told of a \$300,000 grant made to the Children's Cancer Research Foundation by the National Institutes of Health some years ago. With that seed money to go on, the trustees of the foundation went out and raised \$1,600,000 more.

It was in the building thus created that Dr. John Enders conducted that epochal research which resulted in the discovery of a method of growing the poliomyelitis virus in tissue culture and won for Dr. Enders the Nobel prize. It was this discovery which made possible first the mass testing and now the mass immunization program with Salk vaccine. As Dr. Farber told us, because of the construction of this one building, as the result of a Federal grant, "it is conservative to say that Dr. Enders' work was brought to fruition some 2 to 3 years ahead of the time it would have taken in his former antiquated and totally inadequate quarters.

Dr. Hans Waine, medical director of the New England chapter of the Arthritis and Rheumatism Foundation informed us that 3½ million cases of arthritis and rheumatism are under treatment here in the United States each year and that 60 percent of them are severe enough to become bed cases. For every thousand of our people in middle life, 25 are incapacitated by arthritis.

Dr. Waine told us of major advances against this crippling disease made through research in recent years. Some 50,000 children a year are affected by inflammatory rheumatism. But, Dr. Waine told us:

It is possible today, and again alone through research, to prevent the original attack of rheumatic fever, so that when these newer methods which have, within

the last years in the case of rheumatic fever, been found by research, become applicable on a larger scale, and they are applicable, rheumatic fever will also cease to be a hazard in public health.

Gout, the most painful form of arthritis, afflicts approximately 350,000 people. But here, too, Dr. Waine told us:

Thanks to research alone, which has developed new drugs, gout in just a few years, when this newer knowledge will be applied, will be a disease completely controlled. While we do not have a cure, it will be as good as a cure to any patient.

In like manner, in recent years medically infectious arthritis has been driven back. Fifteen years ago ten in every hundred arthritic patients suffered from it. Today, Dr. Waine told us, the tally is two in a thousand.

In these three important forms of arthritis remarkable progress has been achieved. Yet much much more can and should be done. One reason why it may not be done unless we act to meet the dire need for facilities, is that, in Dr. Waine's words—

in the field of arthritis and rheumatic diseases, advances that we may expect to make depend literally exclusively on the application of half a dozen or so of techniques, modern techniques, such as the use of tissue culture, the use of tracer substances, labeled substances, radioactive materials, the use of electronic microscopic examinations, techniques which have only become available within, let us say, a span of the last 10 years, and for which no previous facilities existed.

Dr. Louis N. Katz, director of cardiovascular research at the Michael Reece Hospital in Chicago and past president of the American Heart Society, the American Physiological Society and the Chicago Society for Internal Medicine expressed himself with deep emotion and penetrating logic in his exposition of the need for this legislation from the point of view of those whose major concern is with the growing millions whose greatest danger is heart disease. He too described potentially valuable research projects on stroke and on hardening of the arteries which are not being carried out solely because the space in which to house men and equipment is not available. And Dr. Katz agreed with his colleagues in insisting that by investing in research facilities, the Government will save itself countless dollars as well as save our people countless heartaches and unnecessary deaths.

Dr. Cornelius Traeger, medical director of the National Multiple Sclerosis Society and Cochairman of the National Committee for Research into Neurological Diseases told us of the cost to society occasioned by such neurological conditions as cerebral palsy, epilepsy, poliomyelitis, multiple sclerosis, muscular dystrophy, cerebral vascular disease and blindness. He explained that 20 million people in the United States are afflicted by neurological and sensory disorders and that half of them are gravely disabled.

Those diseases include two which are the third most common cause of death; their victims represent the largest group of those totally removed from the social and economic scene; they are responsible for 46 percent of those receiving public assistance who have endured their disabilities for 10 years or more. Most of these diseases are diseases for which there is no known cause and for which there is today no cure. Yet these are diseases in which but a minimal amount of research is currently underway. Facilities for research in this field are almost totally lacking. Yet it is a field in which the research dollar will pay great dividends, Dr. Traeger declared. To illustrate this

point, he told your committee the result of just one Federal research grant made in the field of blindness. That grant of \$41,000 resulted in the discovery of the cause of a condition which was producing blindness in prematurely born children. Eight thousand children were blinded by it in a decade. Their special care and training through their average life span will cost \$100,000 each or a total of \$800 million. Had that \$41,000 worth of research been undertaken 10 years earlier we would have saved that \$800 million. But the grant was made, the research was successful and for that \$41,000 we will, through each future decade, save the sight of 8,000 children and save ourselves eight hundred millions of dollars every 10 years—all this for 1 investment of \$41,000.

Such was the testimony the committee received from leading doctors in the field of medical research. In the opinion of the committee they more than proved the existence of a national need for the construction and equipping of medical research facilities throughout the country. Moreover they proved to our satisfaction that the use of Federal funds to help build such facilities would represent both sound public policy and a wise investment. In effect, they were as one in saying and in proving "Give us the laboratories and we will not only return these funds a thousandfold but we will give you life as well."

Now, it might be said that those witnesses were identified with institutions which, if S. 849 is enacted into law, will be applying for research construction funds under its terms. This is undoubtedly true. Lest this be interpreted to mean that their testimony might be self-serving in that they and their institutions may profit from passage of the bill, the committee would like to point out that just the opposite is true. These men as individuals and the institutions with which they are identified could earn great sums if they were to forget about research and devote all their time and attention to merely caring for paying patients. When, instead, they urge us to undertake to finance some of the basic costs of research and when they agree to help carry out research projects in which the Nation has a vital interest, they are in fact offering to do for us what we need done and at great and continuing cost to themselves. The committee regards those witnesses as selfless, dedicated, patriotic men.

In addition to these men of medical research, the committee received testimony from individuals who were not themselves engaged in research but who represented voluntary agencies concerned with the problems which beset our people because of the gravity and extent of the questions as yet unresolved in the conflict between man and disease.

One of these witnesses, an outstanding figure in both the world of business and of philanthropy, was Mr. James S. Adams, a partner in the investment banking firm of Lazard Freres & Co., a former finance director of the Republican National Committee and a member of the board of directors of the American Cancer Society since 1945. Mr. Adams told us that there are now 700,000 patients suffering from cancer in the United States at any one time; that there are half a million new cases each year; that about 230,000 of our fellow citizens die from this disease annually.

Perhaps more important in terms of this particular bill, Mr. Adams stated that of those who get cancer perhaps a quarter are now cured and that another 25 percent could be cured by prompt and effective

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diagnosis and treatment. Hope for the other 50 percent, hope for these other millions, Mr. Adams said, "must come and may only come from our research laboratories." That we desperately need to build, equip, staff, and maintain such laboratories is obvious from Mr. Adams' further statement that—

The prognosis for the future is startling. If present trends continue, it is estimated that 1 out of 4 living Americans—that is over 40 million people—will be struck by cancer before they die.

If this is true—and independent checks by the committee's staff indicate that all of Mr. Adams' figures are accurate—the committee believes that we are undoubtedly confronted by a grave emergency: In no war in which this Nation has participated to date have we ever been threatened with the loss of 1 in 4 of our people. Even if misery and unbearable pain, broken families and death meant nothing to us—though they mean more than all else—we would be derelict in our duty if we refused to act to help solve a problem which costs our United States over \$12 billion a year in lost goods and services and which costs the people of America for treatment alone between 300 million and 400 million dollars annually.

Such was the testimony given us by a level-headed, outstanding man in the world of finance whose probity cannot be questioned and whose concern with the details of governmental fiscal policy is a matter of public record. Mr. Adams also told us that his experience in connection with the American Cancer Society shows that for every dollar of Federal funds we may appropriate should this bill become law, we may expect to see at least \$6 contributed for the same purposes from other sources. And Mr. Adams advised the committee that—

the 7 national advisory councils of the 7 National Institutes of Health, each composed of 6 laymen and 6 doctors and scientists have unanimously endorsed this construction program. Each has pointed out that their own program is seriously held up without the facilities this bill would provide.

Among other witnesses urging passage of S. 849 were representatives of the American Dental Association, the American Psychiatric Association, the American Optometric Association, the Delegates from Alaska and Hawaii, and the Resident Commissioner of Puerto Rico.

It was on the basis of such compelling testimony, and such proof of a grave and urgent national need that the committee, agreeing with the Committee on Appropriations as to the desirability of establishing orderly procedures, assuring equitable geographic distribution of allocations, and requiring matching funds, unanimously agreed to report S. 849 to the Congress with the recommendation that it do pass.

SECTION BY SECTION ANALYSIS

SECTION 1

Section 1 of the bill provides that it may be cited as the "Medical Research Act of 1955."

SECTION 2

Section 2 of the bill would amend the Public Health Service Act by adding a new "Title VI—Medical Research Facilities" and, under that title, new sections 701 through 706.

Title VI, section 701

Section 701 is a declaration of policy which lists the various reasons why the committee decided it to be sound public policy for the Federal Government to aid in the construction of nonprofit research facilities.

Title VI, section 702

Section 702 sets forth the purpose of the new title VI as being to provide for grants-in-aid to public and other nonprofit universities and institutions engaged in or competent to engage in research, for the purpose of defraying the cost of construction of facilities, or the purchase and installation of equipment, needed for the conduct of research into the causes of and possible cures for crippling and killing diseases. The committee amendment was added to make it clear that the grants could be used to purchase equipment as well as to pay for the installation costs.

APPROPRIATION AUTHORIZATION

Title VI, section 703

Section 703 authorizes the appropriation of not to exceed \$30 million for each of the next 3 fiscal years.

Title VI, section 704

Section 704 defines the terms "construction," "nonprofit", and "accredited" as they are used in the bill. "Construction" is so defined as to exclude the cost of offsite improvements and the cost of the acquisition of land. The committee broadened the definition of "construction" by adding "plans and specifications." This was necessary because such terms were removed from section 706 (b).

Title VI, section 705

NATIONAL COUNCIL

Section 705 (a) creates a National Council on Medical Research Facilities composed of 1 representative of each of the component institutes of the National Institutes of Health; 1 additional member experienced in the planning, construction, or administration of medical research facilities; and the Surgeon General, who would serve as Chairman of the Council.

Section 705 (b) provides that it will be the function of the Council to review applications for grants and to make recommendations to the Surgeon General in connection therewith.

GEOGRAPHICAL DISTRIBUTION OF GRANT FUNDS

Section 705 (c) divides the States into the following four regions:

Region I: Maine, New Hampshire, Vermont, Massachusetts, Connecticut, Rhode Island, New York, Pennsylvania, New Jersey, and Delaware.

Region II: Maryland, District of Columbia, Virginia, West Virginia, North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Arkansas, Tennessee, Kentucky, Puerto Rico, and the Virgin Islands.

Region III: Minnesota, Wisconsin, Michigan, Ohio, Indiana, Illinois, Missouri, and Iowa.

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Region IV: North Dakota, South Dakota, Nebraska, Kansas, Oklahoma, Louisiana, Texas, New Mexico, Arizona, California, Oregon, Washington, Idaho, Montana, Wyoming, Colorado, Utah, Nevada, Alaska, and Hawaii.

The section also provides that grants-in-aid shall be made in such a manner that the total of grants made in any 1 of the 4 regions under the terms of this legislation when added to the total grants made for the same purpose in that region in earlier years shall be approximately equal to the corresponding sum for each of the other regions.

Title VI, section 706

Subsection 706 (a) requires applicants for grants to submit applications in such form and containing such information and data as the Surgeon General shall, by regulations, prescribe. The committee amendment was added to make it clear that applications should be submitted to the Surgeon General for transmittal to the Council for review and recommendation.

Subsection 706 (b) was amended so that the recommendation of the Council will not be mandatory on the Surgeon General. Upon the recommendation of the Council the Surgeon General is authorized to make grants-in-aid in the amounts recommended by the Council or such lesser amount as he determines to be appropriate. The subsection also provides that no grant-in-aid shall exceed one-half the cost of construction or of the purchase or installation of equipment. The committee intends that it shall be possible to make a grant to a single institution for both the construction and the equipment of a research facility.

SECTION 3

TECHNICAL AMENDMENTS TO ACT OF JULY 1, 1944

This section contains technical amendments required to provide for the insertion of the new title VI and the renumbering of the following titles and sections of the Public Health Service Act.

CHANGES IN EXISTING LAW

In compliance with subsection 4 of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (new matter is printed in italics):

PUBLIC HEALTH SERVICE ACT

* * * * *

TITLE VII—MEDICAL RESEARCH FACILITIES

DECLARATION OF POLICY

SEC. 701. *The Congress hereby finds and declares that—*

(a) *the ravages of certain devastating diseases causing widespread suffering, crippling, and premature death result in consequent loss of productivity to the Nation; an unnecessary economic loss to business and industry; severe financial impact on the families of the sufferers; an economic burden on local communities; and an impact on the defensive strength of the Nation;*

(b) *promising new scientific developments remain unexploited because facilities for research are lacking or sadly deficient in those localities where research skills or patients are located;*

(c) *there is a need to attract young scientists into this most important field, which need cannot be met if facilities to carry on research are denied them; and*

(d) It is sound public policy that, in our search for the causes of and cures for these devastating diseases, we encourage that freshness of vision and exploration of new ideas which can best be assured if research can be carried on in every region of the country and under competent local auspices in addition to that carried on directly by the Federal Government.

PURPOSE

SEC. 702. It is the purpose of this title to provide for grants-in-aid to accredited public and other nonprofit universities and schools of medicine, dentistry, and osteopathy, hospitals, laboratories, and other public and nonprofit institutions, engaged in or competent to engage in research, for the purpose of defraying the cost of construction of facilities, or the purchase and installation of equipment, needed for the conduct of research into the causes of and possible cures for crippling and killing diseases, including cancer, heart disease, poliomyelitis, nervous disorders, mental illness, arthritis and rheumatism, blindness, cerebral palsy, tuberculosis, multiple sclerosis, epilepsy, cystic fibrosis, and muscular dystrophy.

APPROPRIATION

SEC. 703. There is hereby authorized to be appropriated for the fiscal year ending June 30, 1956, and each of the two succeeding fiscal years, not to exceed \$30,000,000, for the purpose of making grants-in-aid provided for in this title.

DEFINITIONS

SEC. 704. As used in this title—

(a) The term "construction" includes construction of new buildings, expansion, remodeling, and alteration of existing buildings, and initial equipment of any such buildings; including architects' fees and plans and specifications, but excluding the cost of off-site improvements and the cost of the acquisition of land;

(b) The term "nonprofit" means owned and operated by one or more nonprofit corporations or associations no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual; and

(c) The term "accredited" means approved or accredited by a recognized body or bodies approved by the Surgeon General after he has obtained the advice and recommendation of the National Council on Medical Research Facilities (created by section 705).

NATIONAL COUNCIL ON MEDICAL RESEARCH FACILITIES

SEC. 705. (a) There is hereby created in the Public Health Service the National Council on Medical Research Facilities (hereinafter referred to as the "Council"), to consist of the Surgeon General, who shall be Chairman, one representative (and one alternate to serve in the absence of such representative) of each of the national advisory councils attached to the National Institutes of Health, to be designated by the respective councils, and one additional member who shall be experienced in the planning, construction, or administration of a medical research facility, to be appointed by the Surgeon General with the approval of the Secretary of Health, Education, and Welfare. Vacancies on the Council shall be filled in the same manner as the original appointments. Members of the Council shall receive the same compensation and allowances as are authorized in the case of members of national advisory councils in section 208 (c) of this Act. The Council shall cease to exist on June 30, 1958.

(b) It shall be the function of the Council to act upon applications for grants-in-aid under section 703, and to make recommendations to the Surgeon General in connection therewith.

(c) For the purposes of this title the States shall be divided into four regions as follows:

Region I: Maine, New Hampshire, Vermont, Massachusetts, Connecticut, Rhode Island, New York, Pennsylvania, New Jersey, and Delaware.

Region II: Maryland, District of Columbia, Virginia, West Virginia, North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Arkansas, Tennessee, Kentucky, Puerto Rico, and the Virgin Islands.

Region III: Minnesota, Wisconsin, Michigan, Ohio, Indiana, Illinois, Missouri, and Iowa.

Region IV: North Dakota, South Dakota, Nebraska, Kansas, Oklahoma, Louisiana, Texas, New Mexico, Arizona, California, Oregon, Washington, Idaho, Montana, Wyoming, Colorado, Utah, Nevada, Alaska, and Hawaii.

14 PROVIDE ASSISTANCE TO CERTAIN NON-FEDERAL INSTITUTIONS

Grants-in-aid under this title shall be made in such manner that the sum obtained by adding (A) the total of such grants-in-aid made to any region, to (B) the total of the grants-in-aid made to such region by the Surgeon General for the same purposes from funds appropriated therefor prior to the date of enactment of this title, shall be approximately equal to the corresponding sum for each of the other regions. With respect to grants-in-aid made from the appropriations for the first two fiscal years for which appropriations are made pursuant to the provisions of this title, the Surgeon General shall be deemed to have complied with the provisions of the immediately preceding sentence if (A) there is utilized 80 per centum of each such appropriation to make grants-in-aid in accordance with the provisions of such sentence, and (B) the total of the grants-in-aid to any region from the remaining 20 per centum of each such appropriation does not exceed one-third of such 20 per centum.

APPROVAL OF PROJECTS AND PAYMENTS

SEC. 706. (a) Applicants for Federal assistance under this title shall submit applications to the Surgeon General for review and recommendation by the Council. Such application shall be in such form and contain such information and data with respect to the applicant and the proposed facility or equipment, as the Surgeon General may by regulations prescribe, including a detailed plan of the contemplated construction, and a statement as to the purposes to which the proposed facility or equipment will be devoted.

(b) The Surgeon General is authorized, upon the recommendation of the Council, to make a grant-in-aid to the applicant in the amount recommended by the Council, or such lesser amount as the Surgeon General determines to be appropriate; but no grant-in-aid shall exceed one-half of the cost of construction of the research facilities, or one-half of the cost of purchase and installation of the equipment, or both, as the case may be.

NOTE.—Section 3 of the bill also amends the act of July 1, 1944, by changing title and section numbers, and references thereto, to conform to the addition of the new title. In the opinion of the committee, it is necessary to dispense with the requirements of subsection 4 of rule XXIX in the case of these purely technical amendments, in order to expedite the business of the Senate.

SUPPLEMENTAL VIEWS OF SENATOR WILLIAM A. PURTELL

To the extent that this bill will encourage and assist in expanding private medical research facilities, I consider it commendable. I must object, however, to the provision of section 705 (c) of the bill which groups the States into geographic regions and requires that construction grants to any such region, when added to research construction grants made prior to the enactment of this bill, shall be approximately equal to the grants made to other regions. This provision of the bill establishes a kind of rigidity in the making of grants which may unduly restrict the flow of funds to those areas where private interest and private activity indicate the greater need for assistance.

Private activity in the field of medical research and the resulting need for proper construction and equipment to further such activities is not a matter to be governed by hard and fast geographical considerations. In general, it can be said that research facilities, whether in the field of health and medicine, or in any other field, are related to the availability of qualified personnel and, at times, to the subject matter of the research. The geographical requirement of section 705 (c) can have the effect of denying funds to certain areas of the Nation where location of the research activity is otherwise advantageous and to that extent, this section of the bill may not be in the public interest.

I subscribe to the belief that geographical distribution in the matter of grants of Federal funds is a factor which generally should be taken into consideration as a matter of judgment and discretion on the part of those charged with the administration of a statute. I believe too that as a matter of general practice that Federal grants should not be wholly directed to any particular State or area of the Nation. In regard to the construction of medical research facilities, however, it is apparent to me that funds should be allocated on the basis of applications received from private organizations ready and willing to conduct medical research. To deny an application on the ground that the facility is not so located in a geographic sense as to apportion the overall amount appropriated on a geographic basis seems to me to be unrealistic and a contradiction of the announced purpose of the bill.

I also wish to state for the record my reservations in regard to section 706 (b) of this bill. It will be noted that this section provides that the Surgeon General is empowered to make the grants recommended by the National Council of Medical Research Facilities. In legislation of this nature, it is my belief that provision should be made to require the Surgeon General to consult with the Secretary of Health, Education, and Welfare prior to the authorization of any grants.

WILLIAM A. PURTELL.



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